

WOORI BANK
Form 20-F
April 29, 2016
Table of Contents

As filed with the Securities and Exchange Commission on April 29, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934
OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Date of event requiring this shell company report

For the transition period from to

Commission file number 001-31811

Woori Bank

(Exact name of Registrant as specified in its charter)

Woori Bank

(Translation of Registrant's name into English)

The Republic of Korea

(Jurisdiction of incorporation or organization)

51, Sogong-ro, Jung-gu, Seoul 04632, Korea

(Address of principal executive offices)

Kyung Cheon Lim

51, Sogong-ro, Jung-gu, Seoul 04632, Korea

Telephone No.: +82-2-2125-2085

Facsimile No.: +82-2-0505002-8851

(Name, telephone, e-mail and/or facsimile number and address of company contact person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
American Depositary Shares, each representing three shares of Common Stock Common Stock, par value 5,000 per share	New York Stock Exchange New York Stock Exchange*

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

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Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

673,271,226 shares of Common Stock, par value 5,000 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated Filer

Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued
by the International Accounting Standards Board

Other

If other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

* Not for trading, but only in connection with the registration of the American Depositary Shares.

Table of Contents**TABLE OF CONTENTS**

	Page
<u>Presentation of Financial and Other Information</u>	1
<u>Forward-Looking Statements</u>	3
Item 1. <u>Identity of Directors, Senior Management and Advisers</u>	4
Item 2. <u>Offer Statistics and Expected Timetable</u>	4
Item 3. <u>Key Information</u>	4
Item 3A. <u>Selected Financial Data</u>	4
Item 3B. <u>Capitalization and Indebtedness</u>	12
Item 3C. <u>Reasons for the Offer and Use of Proceeds</u>	12
Item 3D. <u>Risk Factors</u>	12
Item 4. <u>Information on the Company</u>	34
Item 4A. <u>History and Development of the Company</u>	34
Item 4B. <u>Business Overview</u>	41
Item 4C. <u>Organizational Structure</u>	109
Item 4D. <u>Property, Plants and Equipment</u>	109
Item 4.A. <u>Unresolved Staff Comments</u>	110
Item 5. <u>Operating and Financial Review and Prospects</u>	110
Item 5A. <u>Operating Results</u>	110
Item 5B. <u>Liquidity and Capital Resources</u>	141
Item 5C. <u>Research and Development, Patents and Licenses, etc.</u>	146
Item 5D. <u>Trend Information</u>	146
Item 5E. <u>Off-Balance Sheet Arrangements</u>	147
Item 5F. <u>Tabular Disclosure of Contractual Obligations</u>	147
Item 5G. <u>Safe Harbor</u>	147
Item 6. <u>Directors, Senior Management and Employees</u>	147
Item 6A. <u>Directors and Senior Management</u>	147
Item 6B. <u>Compensation</u>	150
Item 6C. <u>Board Practices</u>	150
Item 6D. <u>Employees</u>	153
Item 6E. <u>Share Ownership</u>	154
Item 7. <u>Major Shareholders and Related Party Transactions</u>	154
Item 7A. <u>Major Shareholders</u>	154
Item 7B. <u>Related Party Transactions</u>	155
Item 7C. <u>Interest of Experts and Counsel</u>	155
Item 8. <u>Financial Information</u>	155
Item 8A. <u>Consolidated Statements and Other Financial Information</u>	155
Item 8B. <u>Significant Changes</u>	156
Item 9. <u>The Offer and Listing</u>	156
Item 9A. <u>Offering and Listing Details</u>	156
Item 9B. <u>Plan of Distribution</u>	157
Item 9C. <u>Markets</u>	157
Item 9D. <u>Selling Shareholders</u>	164
Item 9E. <u>Dilution</u>	164
Item 9F. <u>Expenses of the Issuer</u>	164
Item 10. <u>Additional Information</u>	164
Item 10A. <u>Share Capital</u>	165
Item 10B. <u>Memorandum and Articles of Association</u>	165
Item 10C. <u>Material Contracts</u>	171
Item 10D. <u>Exchange Controls</u>	171
Item 10E. <u>Taxation</u>	172

Table of Contents

	Page	
Item 10F.	<u>Dividends and Paying Agents</u>	177
Item 10G.	<u>Statements by Experts</u>	177
Item 10H.	<u>Documents on Display</u>	177
Item 10I.	<u>Subsidiary Information</u>	177
Item 11.	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	177
Item 12.	<u>Description of Securities Other Than Equity Securities</u>	199
Item 13.	<u>Defaults, Dividend Arrearages and Delinquencies</u>	200
Item 14.	<u>Material Modifications to the Rights of Security Holders and Use of Proceeds</u>	200
Item 15.	<u>Controls and Procedures</u>	200
Item 16.	<u>Reserved</u>	201
Item 16A.	<u>Audit Committee Financial Expert</u>	201
Item 16B.	<u>Code of Ethics</u>	201
Item 16C.	<u>Principal Accountant Fees and Services</u>	201
Item 16D.	<u>Exemptions from the Listing Standards for Audit Committees</u>	202
Item 16E.	<u>Purchase of Equity Securities by the Issuer and Affiliated Purchasers</u>	202
Item 16F.	<u>Change in Registrant's Certifying Accountant</u>	202
Item 16G.	<u>Corporate Governance</u>	202
Item 16H.	<u>Mine Safety Disclosure</u>	204
Item 17.	<u>Financial Statements</u>	204
Item 18.	<u>Financial Statements</u>	204
Item 19.	<u>Exhibits</u>	204

Table of Contents

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The financial statements included in this annual report are prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB.

Unless expressly stated otherwise, all financial data included in this annual report are presented on a consolidated basis.

Prior to November 1, 2014, we, Woori Bank, were a wholly-owned subsidiary of Woori Finance Holdings Co., Ltd. On November 1, 2014, Woori Finance Holdings merged with and into us, such that we remained as the surviving entity, and Woori Finance Holdings ceased to exist, after the merger. In connection with the merger, shareholders of Woori Finance Holdings recorded in its shareholder register as of November 1, 2014 received one share of our common stock for each share of common stock of Woori Finance Holdings they held.

As a result of the merger, the other former subsidiaries of Woori Finance Holdings, including Woori Card Co., Ltd., Woori Private Equity Co., Ltd., Woori FIS Co., Ltd., Woori Investment Bank, Ltd. and Woori Finance Research Institute Co., Ltd., became our subsidiaries. Accordingly, our overall business and operations after the merger, on a consolidated basis, are substantially identical to those of Woori Finance Holdings on a consolidated basis prior to the merger. See Item 4A. History and Development of the Company Privatization Plan Merger with Woori Finance Holdings.

The merger constituted a succession for purposes of Rule 12g-3(a) under the Securities Exchange Act of 1934, as amended, such that our common stock was deemed registered under Section 12(b) of the Exchange Act by operation of Rule 12g-3(a). Following the merger, we file reports under the Exchange Act as the successor issuer to Woori Finance Holdings.

The merger qualified as a business combination under common control for accounting purposes. Accordingly, we recognized the transferred assets and liabilities of Woori Finance Holdings at their book value and did not recognize any goodwill in connection with the merger. The consolidated financial statements included in this annual report are, as of dates and for periods prior to the date of the merger, for Woori Finance Holdings and its subsidiaries (including us) and, as of dates and for periods from and after the date of the merger, for us and our subsidiaries. For further information regarding the accounting treatment of the merger, see Note 50 of the notes to our consolidated financial statements.

Dispositions and other transactions that we have effected in recent years may affect the direct comparability of the historical financial information included in this annual report as of and for different dates and periods. The Korean government, which currently owns 51.06% of our outstanding common stock through the Korea Deposit Insurance Corporation, or the KDIC, has been implementing a privatization plan with respect to Woori Finance Holdings and its former subsidiaries, including us. Pursuant to such plan, in May 2014, Woori Finance Holdings established KJB Financial Group Co., Ltd. and KNB Financial Group Co., Ltd. through a spin-off of its businesses related to the holding of the shares and thereby controlling the business operations of Kwangju Bank and Kyongnam Bank, respectively. As a result of such spin-off, KJB Financial Group became the owner of the shares of Kwangju Bank previously held by Woori Finance Holdings, and KNB Financial Group became the owner of the shares of Kyongnam Bank previously held by Woori Finance Holdings. Woori Finance Holdings no longer owned any shares of Kwangju Bank or Kyongnam Bank, and neither they nor their new holding companies were its subsidiaries, after the spin-off. Following such spin-off, each of these banks was merged with its holding company, and in October 2014, the KDIC sold its 56.97% ownership interest in Kwangju Bank and Kyongnam Bank to JB Financial Group and BS Financial Group, respectively. In addition, in March 2014, Woori Finance Holdings sold its 52.0% ownership interest in Woori Financial Co., Ltd. to KB Financial Group Inc. In May 2014, Woori Finance Holdings also sold its 100.0% ownership interest in Woori Asset Management Co., Ltd. to Kiwoom Securities Co., Ltd. and sold its 100.0% ownership interest in Woori F&I to Daishin Securities Co., Ltd. In June 2014, Woori Finance Holdings sold its 37.9% ownership interest in Woori Investment & Securities Co., Ltd., its 51.6% ownership interest in Woori Aviva Life Insurance Co., Ltd. and its 100.0% ownership interest in Woori FG Savings Bank to NongHyup Financial Group Inc. in a collective sale. As a result of such sales, Woori Investment & Securities, Woori Asset Management, Woori Aviva Life Insurance, Woori FG

Table of Contents

Savings Bank, Woori F&I and Woori Financial were no longer subsidiaries of Woori Finance Holdings, and it no longer owned any shares in such former subsidiaries. See Item 4A. History and Development of the Company Privatization Plan.

In light of such dispositions during 2014, Kwangju Bank, Kyongnam Bank, Woori Investment & Securities, Woori Aviva Life Insurance, Woori Asset Management, Woori Financial, Woori FG Savings Bank and Woori F&I were classified as a disposal group held for distribution or sale, and their operations were accounted for as discontinued operations, in our consolidated statements of financial position and comprehensive income as of and for the year ended December 31, 2013, as well as in our consolidated statement of comprehensive income for the year ended December 31, 2014, included in this annual report. Similarly, information derived from our consolidated statement of comprehensive income for the years ended December 31, 2011 and 2012 was restated to account for such entities as discontinued operations. However, information derived from our consolidated statements of financial position as of December 31, 2011 and 2012 was not so restated. Accordingly, in general, our financial information as of December 31, 2013 and 2014 and for the years ended December 31, 2011, 2012, 2013 and 2014 appearing in this annual report does not include financial data with respect to such discontinued operations, while our financial information as of December 31, 2011 and 2012 appearing in this annual report includes financial data with respect to such discontinued operations. As a result, our financial information as of December 31, 2011 and 2012 may not be directly comparable to our financial information as of and for other dates and periods.

In this annual report:

unless otherwise indicated or required by the context, we, us, our and similar terms refer to Woori Bank and its subsidiaries and, for periods prior to the merger of Woori Finance Holdings with and into Woori Bank, refer to Woori Finance Holdings and its subsidiaries for such periods (including Woori Bank), but excluding those accounted for as discontinued operations;

references to Korea or are to the Republic of Korea;

references to the government are to the government of the Republic of Korea;

references to Won or are to the currency of Korea; and

references to U.S. dollars, \$ or US\$ are to United States dollars.

Discrepancies between totals and the sums of the amounts contained in any table may be a result of rounding.

For your convenience, this annual report contains conversions of Won amounts into U.S. dollars at the noon buying rate of the Federal Reserve Bank of New York for Won in effect on December 31, 2015, which was 1,169.3 = US\$1.00.

Table of Contents

FORWARD-LOOKING STATEMENTS

The U.S. Securities and Exchange Commission encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This annual report contains forward-looking statements.

Words and phrases such as aim, anticipate, assume, believe, contemplate, continue, estimate, expect, future, goal, intend, positioned, predict, project, risk, seek to, shall, should, will likely result, will pursue and words and terms of similar substance used in connection with any discussion of future operating or financial performance or our expectations, plans, projections or business prospects identify forward-looking statements. In particular, the statements under the headings Item 3D. Risk Factors, Item 4B. Business Overview and Item 5. Operating and Financial Review and Prospects regarding our financial condition and other future events or prospects are forward-looking statements. All forward-looking statements are management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

In addition to the risks related to our business discussed under Item 3D. Risk Factors, other factors could cause actual results to differ materially from those described in the forward-looking statements. These factors include, but are not limited to:

a change or delay in, or cancellation of, the Korean government's privatization plan with respect to us;

our ability to successfully implement our strategy;

future levels of non-performing loans;

our growth and expansion;

the adequacy of allowances for credit and other losses;

technological changes;

interest rates;

investment income;

availability of funding and liquidity;

our exposure to market risks; and

adverse market and regulatory conditions.

By their nature, certain disclosures relating to these and other risks are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on our income or results of operations could materially differ from those that have been estimated. For example, revenues could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

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In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this annual report could include, but are not limited to:

general economic and political conditions in Korea or other countries that have an impact on our business activities or investments;

the monetary and interest rate policies of Korea;

inflation or deflation;

unanticipated volatility in interest rates;

foreign exchange rates;

Table of Contents

prices and yields of equity and debt securities;

the performance of the financial markets in Korea and globally;

changes in domestic and foreign laws, regulations and taxes;

changes in competition and the pricing environment in Korea; and

regional or general changes in asset valuations.

For further discussion of the factors that could cause actual results to differ, see the discussion under **Item 3D. Risk Factors** contained in this annual report. We caution you not to place undue reliance on the forward-looking statements, which speak only as of the date of this annual report. Except as required by law, we are not under any obligation, and expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

All subsequent forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this annual report.

Item 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not Applicable

Item 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not Applicable

Item 3. KEY INFORMATION

Item 3A. *Selected Financial Data*

The selected consolidated financial and operating data set forth below as of and for the years ended December 31, 2011, 2012, 2013, 2014 and 2015 have been derived from our audited consolidated financial statements, which have been prepared in accordance with IFRS as issued by the IASB. Our consolidated financial statements as of and for the years ended December 31, 2011, 2012, 2013, 2014 and 2015 have been audited by Deloitte Anjin LLC, an independent registered public accounting firm.

The Korean government, which currently owns 51.06% of our outstanding common stock through the KDIC, has been implementing a privatization plan with respect to Woori Finance Holdings and its former subsidiaries, including us. As a result of the dispositions of Woori Finance Holdings' ownership interests in Kwangju Bank, Kyongnam Bank, Woori Investment & Securities, Woori Aviva Life Insurance, Woori Asset Management, Woori Financial, Woori FG Savings Bank and Woori F&I in 2014, these former subsidiaries of Woori Finance Holdings were classified as a disposal group held for distribution or sale in our consolidated statement of financial position as of December 31, 2013 (but not as of prior dates) and have been accounted for as discontinued operations in our consolidated statements of comprehensive income for the years ended December 31, 2011, 2012, 2013 and 2014. See **Item 4A. History and Development of the Company Privatization Plan**.

You should read the following data together with the more detailed information contained in **Item 5. Operating and Financial Review and Prospects** and our consolidated financial statements included elsewhere in this annual report. Historical results do not necessarily predict future results.

Table of Contents**Consolidated Statement of Comprehensive Income Data**

	2011 ⁽¹⁾	2012 ⁽¹⁾⁽²⁾	Year ended December 31,		2015 ⁽²⁾	2015 ⁽²⁾⁽³⁾	
			2013 ⁽¹⁾⁽²⁾	2014 ⁽¹⁾⁽²⁾		(in millions of US\$ except per share data)	
Interest income	11,095	10,891	9,493	9,211	8,698	US\$	7,438
Interest expense	(6,206)	(6,043)	(5,001)	(4,718)	(3,936)		(3,366)
Net interest income	4,889	4,848	4,492	4,493	4,762		4,072
Fees and commissions income	1,625	1,687	1,565	1,598	1,757		1,503
Fees and commissions expense	(444)	(498)	(639)	(681)	(781)		(668)